

**MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
OTAY WATER DISTRICT  
February 7, 2018**

1. The meeting was called to order by President Smith at 3:33 p.m.

2. ROLL CALL

Directors Present: Croucher, Gastelum, Robak, Smith and Thompson

Staff Present: General Manager Mark Watton, Attorney Jeanne Blumenfeld, Chief of Engineering Rod Posada, Chief Financial Officer Joe Beachem, Chief of Administration Adolfo Segura, Chief of Operations Pedro Porras, Asst. Chief of Operations Jose Martinez, Assistant Chief of Finance Kevin Koeppen, District Secretary Susan Cruz and others per attached list.

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

A motion was made by Director Croucher, and seconded by Director Robak and carried with the following vote:

Ayes: Directors Croucher, Gastelum, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the agenda.

5. APPROVE THE MINUTES OF THE REGULAR BOARD MEETING ON NOVEMBER 1, 2017

A motion was made by Director Thompson, and seconded by Director Gastelum and carried with the following vote:

Ayes: Directors Croucher, Gastelum, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the minutes of the regular board meetings of November 1, 2017.

6. PUBLIC PARTICIPATION – OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO SPEAK TO THE BOARD ON ANY SUBJECT MATTER WITHIN THE BOARD'S JURISDICTION BUT NOT AN ITEM ON TODAY'S AGENDA

No one wished to be heard.

CONSENT CALENDAR

7. ITEMS TO BE ACTED UPON WITHOUT DISCUSSION, UNLESS A REQUEST IS MADE BY A MEMBER OF THE BOARD OR THE PUBLIC TO DISCUSS A PARTICULAR ITEM:

A motion was made by Director Robak, seconded by Director Thompson and carried with the following vote:

Ayes: Directors Croucher, Gastelum, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve the following consent calendar items:

- a) APPROVE AN AGREEMENT BETWEEN THE SAN DIEGO COUNTY WATER AUTHORITY AND OTAY WATER DISTRICT REGARDING COMPLETION OF THE EAST COUNTY REGIONAL TREATED WATER IMPROVEMENT PROGRAM
- b) APPROVE THE TERMINATION OF A CONSTRUCTION AGREEMENT TO ORTIZ CORPORATION FOR THE FUERTE DRIVE SEWER RELOCATION PROJECT (CIP S2045) THAT WAS AWARDED AT THE SEPTEMBER 6, 2017, BOARD MEETING IN AN AMOUNT NOT-TO-EXCEED \$147,650.00
- c) ADOPT RESOLUTION NO. 4342 DESIGNATING DISTRICT STAFF WITH THE AUTHORITY TO ORDER THE DEPOSIT OR WITHDRAWAL OF FUNDS WITH THE LOCAL AGENCY INVESTMENT FUND
- d) APPROVE THE DECLARATION OF 2.539 ACRES OF REAL ESTATE PROPERTY LOCATED ALONG THE FUTURE ALIGNMENT OF ALTA ROAD ON OTAY MESA AS SURPLUS; AND ACCEPT AN OFFER FROM KEARNY PCCP OTAY 311, LLC, A DELAWARE LIMITED LIABILITY COMPANY TO PURCHASE 2.539 ACRES OF THE LAND FOR \$691,475.00 AND ACCEPT A GRANT OF EASEMENT THAT SECURES THE OTAY WATER DISTRICT'S PRIOR PROPERTY RIGHTS
- e) APPROVE A FOURTH AMENDMENT TO EXTEND THE SVPR COMMUNICATIONS' CONTRACT FOR AN ADDITIONAL TWENTY-FOUR (24) MONTHS THROUGH JANUARY 31, 2020; AND INCREASE

THE CONTRACT AMOUNT BY \$60,000, WITH AN AMOUNT NOT-TO-EXCEED \$135,000

ACTION ITEMS

8. FINANCE AND ADMINISTRATION

- a) APPROVE AN ENGAGEMENT LETTER WITH THE AUDITING FIRM OF TEAMAN, RAMIREZ AND SMITH, INC., TO PROVIDE AUDIT SERVICES TO THE DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2018

Accounting Manager Rita Bell indicated that staff is requesting that the board approve an engagement letter with the auditing firm of Teaman, Ramirez and Smith, Inc. to provide audit services to the District for the fiscal year ending June 30, 2018. Please reference the Committee Action notes (Attachment A) attached to the staff report for the details of Ms. Bell's report.

Director Thompson noted that the increase of \$850 for the proposed fifth year of their contract is for additional services required related to GASB 75. Thus, the firm is not really receiving a raise.

A motion was made by Director Robak, seconded by Director Gastelum and carried with the following vote:

Ayes: Directors Croucher, Gastelum, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to approve staff's recommendation.

9. PUBLIC RELATIONS, LEGAL AND LEGISLATIVE

- a) ADOPT THE 2018 OTAY WATER DISTRICT LEGISLATIVE PROGRAM GUIDELINES AND PRIORITIES (OTERO)

Communications Officer Tenille Otero indicated that she is requesting that the board adopt the 2018 Otay WD Legislative Program Guidelines and Priorities. She reviewed the anticipated "top ten" (10) legislative issues to be monitored in 2018. Please reference the Committee Action notes (Attachment A) attached to the staff report for the details of Ms. Otero's report.

Ms. Otero indicated that additionally she wished to note that SB 998 (Dodd), introduced yesterday, will be added to the District's "top 10" legislative issues to be monitored in 2018. The bill would require urban and community water systems to have a written policy on residential water service shutoffs due to nonpayment. The bill indicates for delinquent residential water accounts, that the water purveyor shall not discontinue residential service for nonpayment until the

customer's payment has been delinquent for at least 60 days. A specific notice must be provided to the delinquent customer prior to shutting off their service. The bill also requires a local health department assessment of any grave danger a water shutoff poses to a household and would prohibit a shutoff under specified conditions.

There was discussion regarding legislation concerning *Making Water Conservation a California Way of Life* and the feedback provided through CWA; *Water Storage*; SB 998; and SB 623.

Director Thompson requested a quarterly report on the top legislation (top 10 to 12) being followed by the District. He asked that it include what the District should do (if anything) and what is anticipated for the next quarter. This would provide some guidance to the board. He also inquired if the Rosarito Desalination and the City of San Diego's Pure Water projects should be added to the top 10 list. It was indicated that the guidelines do include the City's Pure Water Project. It is the board's discretion to add or remove items on the list and staff would be happy to make any changes that the board decides.

President Smith suggested that staff also include CWA's "top 10" with the District's "top 10" list so all are together along with CWA's report which indicates the strategy for each item on the list and an update on what occurred over the last quarter.

Director Croucher suggested that Otay WD take a more active role and participate in meetings with the legislators and attend legislative events.

A motion was made by Director Robak, seconded by Director Gastelum and carried with the following vote:

Ayes: Directors Croucher, Gastelum, Robak, Smith and Thompson  
Noes: None  
Abstain: None  
Absent: None

to adopt the 2018 Otay WD Legislative Program Guidelines and Priorities.

## 10. BOARD

### a) DISCUSSION OF 2018 BOARD MEETING CALENDAR

There were no changes to the board meeting calendar.

## REPORTS

### 11. GENERAL MANAGER'S REPORT

General Manager Watton indicated that the District has hired a new Finance Manager. Chief Financial Officer Beachem introduced Mr. Eid Fakhouri who will be taking Finance Manager Rita Bell's position when she retires in June 2018. The board welcomed Mr. Fakhouri.

General Manager Watton presented information from his report which included an update on the sewer overflow simulation model, the award from the Municipal Information Systems Association of California, enrollment in SDG&E's EcoChoice program, the Master Meter issue, the 870-2 pump station replacement project, potable and recycled water purchases. The board had comments and questions concerning a few items in the General Manager's report and staff responded to the questions and comments.

## 12. CWA REPORT

Director Croucher reported that Minutes 323 was signed by the United States and Mexico to extend Minute 319, Extension of Cooperative Measures and Adoption of a Binational Water Scarcity Contingency Plan in the Colorado River Basin. The treaty is extended to 2026. He indicated that outreach to MWD is moving forward. Two groups have been put together with the intent of avoiding further costly litigation. One group will discuss ground rules when meeting and the other will discuss how the two organizations can work together toward common ground for litigation resolution.

He also shared that Mr. Brian Brady of Fallbrook Public Utility District is retiring and has stepped down from CWA's board. He has been replaced by the District's acting General Manager Jack Bebee. City of San Diego representative Yen Tu and city of Del Mar representative Ken Olson are also stepping down from CWA's board. The City will be appointing Councilmember Chris Cate. Director Croucher indicated that he is scheduling a meeting with Councilmember Cate to start a working on a relationship/rapport with him. He lastly shared that CWA was working on scheduling another trip to Sacramento to meet with the legislators.

President Smith indicated that CWA presented their work plans from each of the divisions; finance, water planning, legislation, etc. The legislation group reported that newly introduced AB 573 requires the State to come up with direct potable reuse regulations by the year 2023. Another group reported that CWA signed a 1.6 megawatt, 50 year term agreement to acquire power through Boulder Canyon which will help CWA level its power costs. The finance group reported that water sales are currently 7% below CWA's estimate. General Manager Maureen Stapleton explained that there are periods when member agencies are buying more water and times when they are buying less water, but overall over the fiscal year CWA is meeting its revenue requirements. He lastly shared that the Engineering group indicated that the San Vicente energy storage analysis has been completed and CWA approved getting the California ISO portion implemented.

13. DIRECTORS' REPORTS/REQUESTS

Director Thompson reported that the Water Conservation Garden JPA has elected a new board Chair, Betty Evans from Vallecitos WD. He also indicated that he had volunteered to review the JPA agreement to assure that they are following the bylaws. He also noted that the board adopted the new Water Conservation Garden operating agreement.

Director Gastelum reported that he attended a tour of the Colorado River Aqueduct and Hoover Dam. He indicated that the tours were very educational and worthwhile.

Director Robak reported that the State Department of Water Resources was dismissed this past month and Karla Nemeth was named the new director of the agency. He stated that he will be attending the Bay Delta tour next month and shared that he attended Cuyamaca College's Ribbon-Cutting Celebration for their Field Operations Skills Yard at their new Center for Water Studies.

14. PRESIDENT'S REPORT

President Smith indicated that he would like to suggest that directors include in their directors reports meetings that they have attended in the past month and what they are planning on attending so they may coordinate on event and conference attendance. He shared that he will be attending the WateReuse Annual Conference next month. He also reported on the meetings he attended during the month of January 2018 (his report is attached).

He indicated that there has been discussion on the possibility of streaming the District's board meeting online. Staff has been researching the cost to stream meetings and finds that it can be done at a small expense. He stated that he felt it was a good idea in terms of transparency with the public and would allow those who cannot make the District's meetings at 3:30 p.m. in the afternoon to be able to listen to the meetings online. Implementation of the online streaming may be implemented in March 2018.

Director Robak added to his report that he will be attending the Association of California Water Agencies Annual Washington DC Conference at the end of February.

15. CLOSED SESSION

The board recessed to closed session at 5:20 p.m. to discuss the following matters:

- a) CONFERENCE WITH LABOR NEGOTIATORS [GOVERNMENT CODE §54957.6]

AGENCY DESIGNATED REPRESENTATIVES: MARK ROBAK AND TIM SMITH

EMPLOYEE ORGANIZATION: OTAY WATER DISTRICT EMPLOYEES' ASSOCIATION

AND

ALL REPRESENTED AND UNREPRESENTED PERSONNEL INCLUDING MANAGEMENT AND CONFIDENTIAL EMPLOYEES

b) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [GOVERNMENT CODE §54956.9]

OTAY WATER DISTRICT v. CITY OF SAN DIEGO; CASE NO. 37-2017-00019348-CU-WM-CTL

The board reconvened from closed session at 6:59 p.m. Attorney Jeanne Blumenfeld indicated that the board met in closed session and took no reportable actions.

16. ADJOURNMENT

With no further business to come before the Board, President Smith adjourned the meeting at 6:59 p.m.

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President

ATTEST:

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District Secretary

**President's Report  
Tim Smith  
February 7, 2018  
Board Meeting**

<b>#</b>	<b>Date</b>	<b>Meeting</b>	<b>Purpose</b>
1	3-Jan	OWD Regular Board Meeting	Monthly board meeting
2	9-Jan	Met with Director Croucher	Discussed Otay and CWA key issues
3	18-Jan	Cuyamaca College Ribbon-Cutting Celebration for their Field Operations Skills Yard at their Center for Water Studies	Represented the Otay WD at the Ribbon-Cutting Ceremony
4	19-Jan	Committee Agenda Briefing with General Manager Watton	Met with General Manager Watton to review items that will be presented at the January committee meetings.
5	22-Jan	Engineering Operations and Water Resources Committee Meeting	Reviewed items that will be presented at the February board meeting.
6	23-Jan	Public Relations, Legal and Legislative Committee	Reviewed items that will be presented at the February board meeting.
7	23-Jan	East County Caucus	Discuss Otay's key issues with East County water agencies and CWA